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This typescript is in large book form. It is too voluminous to provide you with 5 copies.

I have xeroxed the cover, the introductory memos, and the Schedule.

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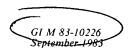
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DDI Seminar: Analysis of International Financial Issues, 21–23 September 1983

Selected Readings



Central Intelligence Agency



21 September 1983

MEMORANDUM FOR: DDI Seminar Attendees

Welcome each of you to the second DDI Seminar on International Financial Issues. The problems confronting the international financial community at the time of our first seminar in March 1983 are still with us. In fact, the hard currency payments status of many LDC's has deteriorated in the past six months.

Certain key debtors seem to be slipping closer to the point of major payments disruptions. The global recession and trade and payments shortfalls have caused serious economic disorder in the Third World -- business failures, materials shortages, massive unemployment and lowered living standards -- all of which contribute to political instability.

This seminar is intended to provide you, as members of the Intelligence Community, with perspectives on US policy in this area, insight into some of the problems facing the business and banking communities, and learned speculation concerning scenarios for the future.

I believe this program will assist each of you in your efforts to provide the best possible support to policymakers grappling with these difficult problems.

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Director Global Issues "If the Western governments were genuinely concerned about the effects of the debt burden on development, they could declare the debts forgiven, or at least, as Laurence Whitehead has suggested, refrain from vindictive sanctions when the suffering debtor finally repudiates the debts. The fact that forgiveness of debts is never considered in the contemporary world indicates that the much-deplored debts are in fact serving a useful function above and beyond the money to be repaid. They help to keep the potentially rebellious borrower in line.

Nominally independent countries find that their debts, and their constant inability to finance current needs out of imports keep them tied by a tight leash to their creditors. The IMF orders them, in effect, to continue labouring on the plantation, while it refuses to finance their efforts to set up in business for themselves. It is debt slavery on an international scale. If they remain within the system, the debtor countries are doomed to perpetual underdevelopment, or rather to development of their exports at the service of multinational enterprises, at the expense of development for the needs of their own citizens."

Cheryl Payer,
The Debt Trap: The IMF
and the Third World, 1974

Contents

Welcome Statement

Schedule

Selected Reading

Balance of Payments and Finance

Fortune, August 1983

The World's Missing Billions

Business Week, July 1983

The IMF's Dilemma On World Debt Gets Worse

The Banker, June 1983

Where should the fund go from here?

US Senate Committee on Foreign Relations, February 1983

Statement of George P. Shultz

The Banker, July 1983

International debt crisis: the next phase
International debt crisis: the practical
 lessons of restructuring

The Banker, June 1983

A new approach to international indebtedness

Euromoney, June 1983

Aid the Debtors

The World Bank Paradox

The Banker, July 1983

Indonesia tightens its belt

International Banking

US Senate Banking Committee, February 1983

State of Paul A. Volcher

The Banker, July 1983

US Banks: New capital rules

US Senate Committee on Foreign Relations, January 1983

Statement of William R. Cline

Latin American External Debt, 1982

The Rate of Return to External Borrowing

Euromoney, May 1983

Where the Banks Put Their Bad Debts

US Senate Banking Committee, February 1983

Risks in International Bank Lending

The Rescheduling of Country Debt:
Is a More Formalized Process Necessary?

Fortune, July 1983

The War Among Brazil's Bankers

Forbes, June 1983

South American debt -- now look at the assets

Euromoney, June 1983

The Loan Drought Hits Africa

Eurocredit

US Senate Banking committee, February 1983

Trends in Eurocurrency Credit Participation 1972-1980

Euromoney, July 1983

From Brazil? Just a Minute, sir.

Country Risk

Harvard Business Review, March-April 1983

You're the best judge of foreign risks

Euromoney, July 1983

How Big a Risk is Indonesia? Japan's Bank Assess Asian Risk

The Money Lenders, 1982

Country Risk

Recent Developments

Carl Marks & Co., Inc., September 1983

A Proposal For Debt Rescheduling and World Trade

Businessweek, September 1983

Brazil could make or break a Latin American "Debtor's Cartel"

Euromoney, May 1983

Can't Pay? Will Pay, But in Sultanas

Forbes, August 1983

Can Mexico pull through ?

Euromoney, July 1983

Is Mexico Making a Comeback ?

Euromoney, June 1983

Tracking The Big Projects

SCHEDULE

Seminar on the Analysis of International Financial Issues 21-23 September 1983 Headquarters Auditorium

Wednesday, 21 September

08:45-10:15 - The International Financial Crisis: Evolving US Policy

Speaker: Martin Feldstein

Chairman

Council of Economic Advisors

10:15-10:30 - Break

10:30-11:45 - US Concerns In International Finance: The Problems and Policy Responses

Speaker: Roger Robinson

Director

International Economic Affairs

National Security Council

11:45-13:15 - Lunch

13:15-14:45 - International Financial Issues: Congressional Perspectives and Policy Responses

Speaker: Casimir Yost

Professional Staff Member Senate Foreign Relations

Committee

14:45-16:00 - Trade - Monetary Linkages: North-South Trade and LDC Financial Prospects

Speaker: Mike Liikala

Special Assistant to the

Undersecretary for International

Trade Administration
Department of Commerce

Thursday, 22 September

08:45-10:15 - The International Financial Crisis: Impact on Trading with the LDC's

Speaker: William Gallagher Vice President

International Operations

Textron, Inc.

10:15-10:30 - Break

10:30-11:45 - Eximbank and the International Financial Crisis

Speaker: William Draper

President and Chairman

of the Board

Export-Import Bank of the United States

11:45-13:15 - Lunch

Speaker: Paul McCarthy Vice President

Chemical Bank

Friday, 23 September

08:45-10:15 - The International Financial System:
Lingering Problems and Prospective
Scenarios

Speaker: Maurice Ernst

NIO-Economics

10:15-10:30 - Break

10:30-11:45 - The International Financial System:
Lingering Problems and Prospective
Scenarios

Speaker: William Kline

Senior Associate

International Institute

for Economics